

**The Hot Springs Health Program:  
A Case Study**

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## *THE HOT SPRINGS HEALTH PROGRAM: A CASE STUDY*

### **Introduction**

The 17,000 residents of Madison County, located in the western mountains of North Carolina on the Tennessee border, live in homes scattered widely across its 451 square miles. Travel is slow along winding mountain secondary roads. Yet, unlike many others living in Appalachian communities, almost all residents of Madison County are less than 30 minutes away from comprehensive primary health care facilities because of the Hot Springs Health Program.

This case study recounts the history of the Hot Springs Health Program, a vertically integrated system of health care delivery ranging from prenatal care to hospice care. "You come through one portal that gains you access to health care," Executive Director Gary Lewis said; "And you receive a system of primary preventative care, not illness care." According to Mr. Lewis, the "one portal system" simplifies health care delivery, and leads to a decrease in cost, a decrease in the chances of human error, and an increase in access for those patients who might be intimidated by a larger system. The Hot Springs Health Program supports the idea that primary care medical centers can serve a rural county with the rugged, mountainous terrain of Madison County more effectively than a hospital located in the same area.

### **The Beginning of a Health Program**

Up until the 1940s, several "doctors" practiced in Hot Springs, although not all had undergone full medical school training. But during the 1940s, the number of physicians began to decrease. By 1970, there were no physicians in Hot Springs, which is located in the northwestern corner of the county. A part-time physician practiced in nearby Marshall, but the closest full-time physicians were located in Mars Hill, some 30 miles away on rough mountain roads. Residents of western Madison County traveled long distances for more than one hour to get medical care in Asheville or cities in Tennessee. Poverty was another characteristic of the county's people. In 1970, Madison was the poorest of 19 N.C. mountain counties. Per capita income was \$2,926, and about 32 percent of the county's households lived below the poverty line.

In the late 1960s and early 1970s, Linda Ocker Mashburn, a Registered Nurse based in Berea, Kentucky, conducted health fairs throughout Appalachia while working for the United Presbyterian Church. She coordinated health fairs in impoverished Appalachia as a way of getting communities involved in health care issues. Her job involved raising money, writing grant proposals, and helping with the recruitment of physicians. She was working in Hot Springs through VISTA (the federal program Volunteers in Service to America) and the Opportunity Corporation, a local community action program, when she met Jerry Plemmons and Tom Wallin, Opportunity Corporation staff members who later helped organize the Hot Springs Health Program and currently serve on its board.

During her two summers in Hot Springs, Ms. Mashburn recognized the town's lack of basic medical services. In the meantime, she had grown tired of her job's long hours and demanding travel schedule and decided to settle in Hot Springs and push for the creation of a health center. She chose Hot Springs partly because it was the most isolated of the communities she had visited while working for the church. At a large town meeting, more than 100 residents pledged to raise the \$500 for equipment, supplies and physician compensation needed to begin a community medical center. This small commitment allowed the Center to open its doors in May 1971.

Clinic workers volunteered their time to the program, and Ms. Mashburn served as the Executive Director of the program in addition to working as a nurse. To provide herself with income, she eventually worked part-time as a lecturer at nearby Mars Hill College. The other volunteer nurse took on a part-time nursing job in Asheville.

The first year was spent fund-raising, Ms. Mashburn said. The health program received a \$20,000 grant from the Kate B. Reynolds Health Care Trust and \$5,000 from the Appalachian Fund, along with other smaller grants. Although one nurse left later that year, another nurse was recruited, and a retired Veterans' Administration physician from Oteen, east of Asheville, volunteered to conduct clinics each Wednesday.

One of the first nurses recruited to work in Madison County, Kathy Johnson, took to heart what she read in *The Other America*, Michael Harrington's troubling book of poverty in the 1960s. While working in Boston, she decided to find a job in Appalachia, which Harrington had

discussed in his book. Ms. Mashburn heard of her job search and invited Ms. Johnson to Hot Springs. That was in April 1972 and Ms. Johnson, who completed training to become a Family Nurse Practitioner while working at Hot Springs, stayed with the health program until 1977. "Linda got it going," she said, "and did a lot of organizing." Ms. Mashburn's personality was a major factor in the health program's early success, Ms. Johnson said.

Before opening the Hot Springs Health Program, Ms. Mashburn conducted extensive and numerous one-on-one conversations with community residents, in true "community organizing style," she said. In 1971, the first volunteer staff of the health program conducted an intensive survey of western Madison County residents. The survey included 1,635 out of 2,305 residents of the townships of Hot Springs and Spring Creek and asked them basic questions about their health and health care service. About a third of the residents said they went to physicians in Asheville while others were evenly divided between physicians in five other cities, including Greeneville and Newport, Tennessee, and other North Carolina towns. About half used Memorial Mission Hospital in Asheville, which was about 40 minutes away, for emergency care. About 22 percent said they had not had a physical exam in at least nine years (if ever) and 72.5 percent had never visited a dentist. About 45 percent reported that they had a chronic illness in the last year. The most common chronic problems were arthritis, high blood pressure, dental problems, and "trouble with nerves." About 30 percent listed transportation as a major problem in obtaining health care, although 75 percent said they have a "fairly nice car."

In 1971, Don Madison of the University of North Carolina's School of Medicine urged Ms. Mashburn to apply for federal money through the Comprehensive Health Planning Act of 1966 and the Appalachian Regional Commission. With this federal funding, which the program received late in 1972, Ms. Mashburn hired staff and expanded services to three medical centers, the original health program in Hot Springs and two auxiliary medical centers in Walnut and Laurel. Ms. Mashburn stayed for four years as administrator before leaving the program in 1974. She returned two years later as a part-time home health nurse and eventually worked for Madison Home Care.

During its first few years, the health program rented three medical center sites. A converted 100-year-old farmhouse housed the Laurel health

program, and in Walnut, a community of about 400 then, the medical center was run out of an auxiliary building owned by the Walnut Free Will Baptist Church. The walls in the old Walnut clinic were so thin that nurses would turn up a radio in the examining room when a hearing impaired elderly patient came in with a personal problem, said Sandra Hensley-Sprinkle, a staff member since the early days of the health program.

The Hot Springs Medical Center served as the main site and was housed in a white building by the French Broad River. Each center was about 15 miles from the others, and the three formed an equilateral triangle; each had a waiting room, lab, pharmacy, office space and at least two examining rooms. The initial staff (all volunteers) for the three medical centers included: two part-time nurses, two part-time physicians (who held clinics a total of six times each month), two community aides, and one bookkeeper/receptionist. Each was paid a small stipend after the program received its first foundation grant. Staff members were paid their first salary by the health program in February 1972, after the program received its first outside funding.

### **Community Resources and Involvement**

The health program's service population consists of Madison County, whose 1987 estimated population was 17,379, and a few communities near the county border. Throughout this century, agriculture has provided employment for a large segment of the population. Major crops include tobacco and, to a lesser extent, tomatoes. However, the portion of residents claiming farming as a primary occupation has fallen from more than 50 percent in the 1950s to less than 10 percent in 1986. Government employment and manufacturing have overtaken agriculture as major sources of employment for the county. Micro Switch, a division of Honeywell that manufactures electrical switches, employs between 600 and 650 workers in Mars Hill, making the company the largest employer in the county. The Hot Springs Health Program employs about 80 people, which gives it one of the county's largest workforces.

Although recent economic development has brought more wealth to its communities, Madison County, especially in the western townships, is still relatively poor compared to other N.C. counties. But despite its poverty, the Hot Springs Health Program has had little trouble raising money from the

community to build medical centers and expand programs, said Taylor Barnhill, who first became acquainted with the Hot Springs Health Program while working as an architect for the N.C. Office of Rural Health Services in the 1970s. The commitment to bringing adequate health care to the county began with community organizing by Ms. Mashburn and has remained strong, Mr. Barnhill said.

Mr. Barnhill designed the Laurel Medical Center, built in 1980, and the new Hot Springs Medical Center, built in 1983. The Walnut Medical Center moved from the church building into a renovated restaurant midway between Marshall and Walnut in 1978 and is now known as the Marshall-Walnut Medical Center. For their 1986 expansion, the health program bought and renovated the office of retiring physicians in Mars Hill. The Office of Rural Health Services gave the health program an \$82,580 grant for continued renovations in 1987-88. For many construction and renovation projects, the community showed its support in the form of contributions to the health program. Community involvement in the health program has always been substantial. "There has been a wonderful, broad community effort to have this clinic," said Burton Craige, administrator of the program in the late 1970s.

"People were really glad when Linda (Mashburn) opened up the clinic," said Pat West, a native of Hot Springs who has held several jobs with the health program, ranging from lab work to home health services. Conditions such as high blood sugar and high blood pressure were going untreated, she said. "People in this county have learned more about their health and how to take care of themselves."

### **Program Structure and Services Provided**

The professional staff of the Hot Springs Health Program is responsible to a community Board of Directors. The first community board was made up of 21 members, four from each of the five townships served and one from the town of Hot Springs. Each board member serves a three-year term and is nominated at community meetings. Today's board is made up of fourteen members, three from each of four geographic segments of the county and two local health care professionals not affiliated with the Hot Springs Health Program staff. The executive director and medical director run the daily administration and medical operations of the program. (For details on the program's structure, see organizational chart in Appendix A.)

The Hot Springs Health Program operates four ambulatory medical centers staffed by five primary care physicians and two family nurse practitioners. Mr. Lewis says the present staff is perhaps the best the program has ever had. The program's connection with the Mountain Area Health Education Center (AHEC), a continuing health education arm of the state located in Asheville, allows their staff to be in the mainstream of medical practice although they are geographically isolated. The quality of care given at the Hot Springs Health Program's medical centers "can compete with almost any other medical center in the state," Mr. Lewis says.

In cases of major trauma, technicians from the county's emergency medical services take the patient to hospitals in Asheville or Greeneville, TN. For minor trauma, the patient can be treated at the program's medical centers, stabilized, and then taken to a hospital if necessary. As a consequence of their isolation, family practitioners in Madison County have more experience reading X-rays, setting bones and carrying out other procedures that urban family physicians rarely are called upon or choose to perform.

The range of medical services offered by the health program includes: wellness and acute care to children, adolescents, adults, and family planning patients; screening and diagnostic services; management of chronic problems; emergency care; limited prenatal care for pregnant women during their first two trimesters; 24-hour on-call coverage; regular weekend hours; in-house laboratory services; in-house radiography; health education; and pharmacy services. Dental services are offered at the Hot Springs Medical Center and include preventative treatment; restorative treatment; endodontic treatment; oral surgery; prosthetics; and periodontics.

The program also offers home health and hospice care with skilled nurses and nursing assistants for patients in the county. Physical, occupational and speech therapy services as well as counseling and supportive care, are provided. Attending physicians give care for most of the patients at the Madison Manor Nursing Home. Under a contract, the health program also provides care through the Madison County Health Department and the Mars Hill College Infirmary.

The health program began a hospital practice when the Mars Hill Medical Center opened in 1986, but discontinued the service when it proved unfeasible about a year later. There are no hospital beds in Madison County, and the closest hospital is about 30 minutes away in Asheville. (One



physician, who lives in Asheville and works with the health program, conducts rounds at the hospital when necessary.) Currently, when patients are hospitalized, they are referred to physicians in Asheville. The health program also once offered transportation services through a system of vans during the 1970s but discontinued the service because of cost. Former Executive Director Monica Teutsch says the health program learned it had to take a more conservative approach toward expansions; in the future, she said, the program should not offer a service it could not sustain over the long-term. Mr. Lewis says the county's emergency medical service is often used for nonemergency purposes when residents lack other transportation.

Publicity for the health program began with health fairs and now includes polished pamphlets. The program also conducts free cholesterol screening at French Broad Electric Membership Company (which provides power to the county) as well as providing free vaccines and routine evaluations at meal sites for the elderly. Other publicity activities include presentations to civic groups; fund-raisers, such as this summer's golf tournament at the Wolf Laurel Resort to benefit the hospice program; educational efforts in the schools; and word-of-mouth.

For the past ten years, medical services have been directed by F.B. "Chipper" Jones, M.D., a soft-spoken family physician who came to the health program in 1979. Dr. Jones chose to join the Hot Springs Health Program because he and his wife, Donna, a trained surgical technician who now raises cattle, wished to settle in western North Carolina and live on a farm. Dr. Jones also said he did not want a hospital practice, which he says puts unacceptable demands on a physician's lifestyle. He found all of these features in the Hot Springs Health Program.

As Medical Director, Dr. Jones manages the schedules of the five physicians, who divide their time among the medical centers and the contractual obligations of the health program. The rotation of physicians among the different medical centers began as a way of dealing with staff shortages. It has continued as a way of mixing the different specialties of physicians who later joined the practice. When the nursing home opened, Dr. Jones said, it created a greater time demand on physicians, and clinical time was best served by rotations. For example, three physicians, an internist, a pediatrician and a family physician, rotate the morning of scheduled appointments at the Hot Springs medical center. In the afternoons, a family

nurse practitioner or physician's assistant attends patients at the medical center. The Laurel facility, the smallest of the four medical centers, has a physician for a half-day four days each week, and on the fifth day is staffed by a physician's assistant or family nurse practitioner. Each day a physician spends about a half-day fulfilling the contractual obligations the health program has with the nursing home and the county health department.

Dr. Jones said he also staffs the Marshall-Walnut medical center with two providers five days a week. The Mars Hill medical center is open seven days a week until 9 p.m., the only Hot Springs Health Program medical center to have late hours every day. A physician attends patients there every evening through a rotated schedule. The rotations have worked well, Dr. Jones said. Patients can easily schedule visits with their personal physicians when that physician is at the medical center near them.

Because of the rotations and mixed schedule, physicians who join the Hot Springs Health Program must be generalists and enjoy practicing a wide range of medicine, Dr. Jones said. For example, Janice N. Coverdale, M.D., a pediatrician by training, sees many adult patients at the Mars Hill Medical Center in the evenings. The most common ailments seen by physicians in the health program are acute respiratory problems, minor injuries and chronic problems of the elderly, such as diabetes and high blood pressure, Dr. Jones said.

#### *Newest Service--Hospice*

The newest service added to the Hot Springs Health Program has been the establishment of Hospice of Madison, which began in September 1987 as a way to extend specialized home health care to patients diagnosed as terminally ill. The program develops a plan for each patient and assigns nurses, homemakers-nurse's assistants, and volunteers to provide the needed level of care. Services range from medical care offered by a nurse or nurse's assistant to a volunteer sitting with the patient to allow the family caretaker to run errands or take a break from caring for the ill family member.

Brenda Thomsen, coordinator of Hospice of Madison, said the program allows continuity for a patient because it is part of the integrated Hot Springs Health Program. Visits can be made once a week or more often, depending on the patient. The program provides medical and emotional support for the families who are caring for their ill relatives. Following the death of the

patient, Hospice of Madison follows the family for one year in its bereavement program. During this time, they make any necessary referrals to mental health workers for family members having trouble accepting the death of their relative. The hospice program has been readily accepted by residents, who have provided a number of referrals to the hospice, Ms. Thomsen said. "We thought there would have been a greater need for education (of the families) when we first began the program," she said.

The program had 17 patients during its first seven months, and between May 1988 and April 1989, it served 36 patients, conducting an average of 105 visits each month. More than 40 volunteers have been trained to participate in the program. For the second year in a row, a summer golf tournament and fundraising event was held at the Wolf Laurel Resort. The fundraiser, which has been held jointly with Memorial Mission Hospital in Asheville, raised \$11,000 for Hospice of Madison in the summer of 1988 and about \$15,000 for the hospice in July 1989. Ms. Thomsen said the outside money helps fill in the budget for uncompensated care given to patients and their families. Many of their elderly patients cannot pay for all of their care, and the bereavement services are not reimbursable under current Medicare or Medicaid regulations.

### **Outside Funding of the Health Program**

#### *Why Hot Springs Gave Up Federal Grant Money*

Throughout its history, the Hot Springs Health Program has benefited from generous grants from outside sources. These grants began with initial funding from the Appalachian Regional Commission and the federal government. The Hot Springs Health Program was a Section 330 health center for ten years. But since 1986, the program has voluntarily declined to apply for federal grants through the Community Health Centers Program of the Public Health Service as a 330 health center. Today its outside funding is limited to private foundations.

Federal grants figured heavily in the beginning of the Hot Springs Health Program. After receiving initial funding from the Appalachian Regional Commission and federal grants, in 1976 the Hot Springs Health program received a sizable Rural Health Initiative grant from the U.S. Department of Health, Education and Welfare (now the Department of Health and Human Services). The health program's application for the

federal money stated that because of the poverty of the region, federal subsidies would probably always be needed, and self-sufficiency of the health program would most likely be unattainable.

After receiving the RHI grant in 1977, the community board set a goal of becoming self-sufficient by 1980. Jerry Plemmons, the current board chair who has served on the board since the late 1970s, said the community board members have always sought self-sufficiency as a long-term goal for the program. Such independence from government funding and regulation is in the "mountain spirit," Mr. Plemmons said. But self-sufficiency was not achieved by 1980, and the program continued to receive federal money through the Public Health Service.

Monica Teutsch was Executive Director of the program from 1982 to 1986, at which time she and the board decided to discontinue federal funding. In 1985-86, Ms. Teutsch said Board members conducted strategic planning to examine the health program's dependence on public funds. Some Board members feared that community health funding from the federal government would eventually end and wanted to plan for self-sufficiency as the ultimate goal. At the same time, the Board was planning an expansion into the eastern part of the county, in Mars Hill, where local doctors were retiring. Before the 1986 expansion, the health program had a patient mix that made self-sufficiency an unrealistic goal: 30 percent were Medicare, 30 percent were Medicaid, 7 percent were self-paying with insurance, and the remaining portion were patients paying according to a sliding fee schedule. The health program wanted to improve that mix by attracting middle-income Mars Hill residents to their practice. The program negotiated with the Mars Hill doctors and bought their practice, renovated the building, and under the current director, plans further expansion.

Since the expansion into Mars Hill and the dropping of federal funding, the Hot Springs Health Program has had a mix of patients more likely to pay for their care or to be covered by insurance than in the past. In 1989, 48 percent of Hot Springs patients had insurance or were self-paid, compared to 69 percent of the patients at the Mars Hill medical center. Still, about one-third of all health program patients were Medicare or Medicaid patients, about one-tenth were covered by third-party payers (such as Blue Cross/Blue Shield), and the remaining half were self-paid patients (who may or may not be reimbursed by private insurance companies or programs).

Today, 87 percent of the health program's \$1.9 million budget comes from patient fees, and the remainder comes from contractual and consulting work and other services. In contrast, in 1975, almost half of its \$500,000 budget came from a federal ARC grant and a little more than half came from patient fees.

There were mixed feelings about "going private," Ms. Teutsch said. Many community residents feared the loss of their "baby" but others were proud to be self-sufficient. Before the expansion and discontinuance of the federal grant, some board members believed that the stigma of public funding kept middle-income patients away from the medical center. After the grant was given up, more middle-income patients did seek care at the four medical centers. However, this increase in middle-income patients coincided with retirement of private physicians in Mars Hill and the program's expansion into Mars Hill, a middle-income community as well as the discontinuance of federal funding.

Dr. Jones said the practice does not begrudge federal and state money. "In fact," he said, "we have gotten great benefits from government funding. But it had come to a point that we could use (government money) as a stepping stone to give our program its own stability, to establish that our program would always be there." Dr. Jones said giving up federal money also freed the physicians from the "red tape" of government regulation. The program also did not want to give up a once-in-a-lifetime chance to expand into Mars Hill and give its practice an even more solid patient pool. The decision has led to greater stability and paid off in the long run, Dr. Jones said.

#### *Private Foundation Grants*

Despite giving up their federal funding, the Hot Springs Health Program still funds innovative projects through the use of private foundation grants. For example, two projects currently underway are sponsored by the Kate B. Reynolds Health Care Trust and the W. K. Kellogg Foundation.

In the position of director of the Office of Patient Resources, which is funded by the Kate B. Reynolds Health Care Trust, a full-time social worker screens patients and determines their eligibility for certain reimbursement programs. The position, which primarily aims to serve the elderly, generated

about \$22,000 in its first year in 1988 and is expected to pay for itself in the next few years when the grant expires, Mr. Lewis said.

In 1989, the Hot Springs Health Program received a \$1.162 million grant from the W. K. Kellogg Foundation of Battle Creek, Michigan. The grant will come to the Hot Springs Health Program through Mountain AHEC, which was named the grantee. The Kellogg grant will fund a three-part program for the Hot Springs Health Program:

1) Continuing education--Hot Springs will be a training site for a residency in family medicine. In addition, the program is considering bringing in fourth year medical students to perform nonmedical roles. Students in dentistry, nursing, pharmacy and other allied professions will participate in internships with the program. As a teaching site, the program hopes to keep present staff skills up to date with the stream of students who have learned the latest techniques. This aspect will give "freshness" to the program, Mr. Lewis said. He also hopes it will improve recruitment efforts and lead some of the visiting students to return as full-time staff.

2) Community assessment--The grant will allow the program to carry out a thorough, scientific study of the health problems of the community. It will then compare the results to its patient population to see what segment of the community the program is serving. The study will also serve as a marketing tool that will give the program a view of its reputation in the community and the perceived health needs of the community.

3) Computerization of patient files--New software and hardware will give physicians speedier access to more complete patient records. Physicians on call will have laptop computers that they can use to easily access data on patients.

As a result of the Kellogg funding, the Hot Springs Health Program will know more about its community and more about its patients. Both the program staff and collaborating clinicians and researchers hope that this will lead to more research projects, Mr. Lewis said. Dr. Jones says the Kellogg grant will improve efficiency in the practice and lead to better service for patients. Having an increased flow of medical students and mid-level students will keep physicians in touch with the latest techniques and approaches to medicine, he said. The grant also provides for physician time to conduct more quality assurance activities, Dr. Jones said.

## **Financial History and Policies**

After the health program gave up federal funding from the Public Health Service, the sliding fee scale was replaced by a system that gives families who have reached a specified deductible a 10 percent discount on subsequent fees. Individuals and families without insurance are eligible, and the amount of the deductible depends on family size. The previous system of a sliding fee scale required proof of income, which Dr. Jones says was difficult to establish for many patients and was confusing for the health program to administer.

Dr. Jones said utilization rates have remained about the same as the program has undergone major changes, such as the phasing out of the sliding fee schedule and the federal grant. The health program's policy of service is never to refuse "medically emergent service" but to deny nonemergency, ambulatory care to delinquent patients with the ability to pay and outstanding debts. Need is the prime determinant of care, Mr. Lewis said. Although the health program absorbs the costs of indigent care for many who are unable to pay, Mr. Lewis said the health program's staff has come to recognize the difference between inability and unwillingness to pay and screens patients accordingly. The program has learned to stretch dollars but cannot serve everyone and bankrupt the system in the end, Mr. Lewis explained.

Researchers at Duke University's Center for Health Policy Research and Education estimate that 19.5 percent of Madison County's residents have no health insurance, and that an additional 17.2 percent lack adequate insurance to cover all their health care needs. Although many residents in the county are uninsured or underinsured, the problems of uninsured patients are not as great for primary health centers as they are for hospitals, where costs rise rapidly and at higher levels, Mr. Lewis said. The average cost of an office visit to a Hot Springs medical center, for example, is about \$30, an amount people without insurance are able to pay off over time. The health program allows patients to establish payment schedules for gradual payment of a bill once a patient has established a good line of credit by paying for three visits.

Dr. Jones said prices at the medical centers for office visits, lab work and other services have increased recently to become more realistically priced. He said their \$20 office visit fee is among the lowest in western North Carolina, according to Blue Cross/Blue Shield. Dr. Jones said the practice thinks more carefully about setting fees so that they will have a stable income base.

Despite its efforts to secure complete financial independence, the Hot Springs Health Program is still in search of a continually stable income base. The program has recently been forced to borrow money against its line of credit at a bank in order to meet cash flow shortages, according to recent board minutes. But Board Chairman Jerry Plemmons is confident the program will meet its financial obligations.

Still, the increasing concern over money matters has some residents concerned. Taylor Barnhill, who has lived with his wife in Madison County since 1978, says the health program's decision to stop using federal grants has changed the way the poor are treated by the program. As prices and collection efforts by the health program have increased, the perception of the medical centers has changed among many poor community residents, Mr. Barnhill said. "There is (now) a feeling that quality health care is no longer as accessible as it once was," he said.

In the spring of 1989, four physicians left the program, and at least three left in part out of concern for the future of the health program's service to the poor and because of differences in management philosophy, said one of those physicians, Dr. Stephen Crane. Dr. Crane, a family physician, left Hot Springs to begin a joint practice at a Community/Migrant Health Center in Hendersonville with his wife, Dr. Katherine Sloss, who also practiced as a family physician with the Hot Springs Health Program up until the spring of 1989. Dr. Crane says some patients who could afford to pay their medical bills under the sliding fee scale system are not helped enough by the 10 percent discount system now in place.

"It was a critical decision to give up federal funding," Dr. Crane said. Mars Hill residents did perceive the practice as geared toward the poor, he said, but the health program should have approached this as an image problem by using marketing and public relations techniques, not by giving up needed federal money that should pay for indigent care. Dr. Crane also said collection practices should have been improved as a way of increasing revenues from patients with the ability to pay.

Staff member Sandra Hensley-Sprinkle says patients miss the physicians who chose to leave the program recently, but said the changes in the program have strengthened it. "It was a big change when we didn't give the (sliding scale) discount anymore, and some people still ask about it," she said. But staff members will work to set up payment schedules with patients



who cannot pay their entire bills after they are served. "As long as they try, we'll try," she said.

Administrator Gary Lewis says the program wrote off more bad debt last year than in any other previous year. He says the practice must find a niche somewhere between giving away free care and being a private practice that excludes the uninsured and underinsured. "Some folks have slipped through the cracks," he said. "But we're trying to work with folks to clear up any confusion about the new discount system." Lewis said the current staff has not forgotten the original mission of the Health Program, set forth by Linda Ocker Mashburn almost 20 years ago.

Ginny Koranek, a family nurse practitioner who came to the program in 1975, said the quality of medical care has improved since the federal funding was dropped and reliance on patient charges has increased. Changes in the program occur constantly because of financial pressures and new medical services that are added to the program, she said. "In order to survive, the program has had to keep up with the times," she said. "We've also had to be economically responsible."

Despite progress in county economic development efforts, poverty continues to be a problem for the mountainous county. Per capita income in 1986 was \$8,291, the ninth lowest in the state, and in 1983, an estimated 27.6 percent of the county's population lived in poverty. Many of the poor live in isolated "hollers" in substandard housing. In 1980, about 16 percent of homes in Madison County lacked plumbing facilities. There are federal grants available that are designed to provide extra help to impoverished communities like western Madison County. But pleased with the prospects of a self-sufficient future, the health program will stand by its policy of refusing federal grant money.

### **Staffing Crisis in the Health Program**

The departure of four physicians this spring was not the first time the program suffered from heavy staff turnover. Staff recruitment and retention have typically been difficult problems for many medical organizations that serve rural communities. Highly educated physicians often claim they find the cultural and educational opportunities in rural communities lacking compared to urban environments. The Hot Springs Health Program is no exception and has experienced periods of severe staff shortages. Since 1980,

the Office of Health Resources Development has assisted in the recruitment of seven physicians for the health program, including five in the last five years. (Only two of those five doctors remain with the health program.)

Robert Blake, Jr., the first full-time physician to serve the Hot Springs Health Program, was the sole physician for the 5,000 patients of the practice from July 1972 to July 1976. Dr. Blake, who worked for an annual salary in the high teens with one week off for vacation, chose Hot Springs as the place to fulfill his Alternative Service obligation as a conscientious objector during the Vietnam era. A nurse staffed each of the three medical centers, and he held office hours three days a week in Hot Springs and spent the remaining days either at the Laurel or Walnut sites.

"It was great until the last eight months," Dr. Blake said. "We had an incredible sense of service" to the population. New and expanded services were offered to community residents during Dr. Blake's time with the health program. In addition to expanded primary care, the medical centers also began offering home health services and health education in the schools, and the dental practice began offering services in 1973. But the last months of Dr. Blake's practice in Madison County were trying, for the health program's board and the staff and for the community. During that year of upheaval in the program, Executive Director Burton Craige, a board member and other professional staff members also resigned from the Health Program.

"I was bitter when I left," Dr. Blake said. He said he loved his practice and stayed two years after the expiration of obligation with the Selective Service. He and his family had planned to settle in Madison County. "I could have stayed there for 30 years," he said.

Mr. Craige said conflict over the low salaries of the professional staff and over the authority of the executive director versus the community Board of Directors grew exceedingly worse during his 18-month tenure. The Board wanted to establish the medical centers as "community" health centers, he said, not medical centers run by the professional staff. In addition, a local struggle over the selection of party delegates at a Democratic Party precinct meeting in Madison County found the community board and the professional staff on differing sides. During an open vote on the selection of state delegates, staff members of the health program, including Dr. Blake and Mr. Craige, voted for a slate of candidates opposing the incumbents, who had close political ties to some of the health program's Board of Directors.

Dr. Blake resigned in early 1976 because he felt the maneuvering of the Board, which gave and then rescinded raises for the health program's nurses, was dishonest. In addition, Dr. Blake felt the board was politically charged and interfered with the day-to-day operations of the medical program.

In particular, the divisiveness caused by the salary issues troubled Mr. Craige, he said. "I didn't want it (the program) to fall apart over salaries because that was contrary to the very reason we were there," he said. "No one had come to Hot Springs because they were lured by high salaries." Rather they came because of the level of service the program allowed them to provide, he said.

Mr. Craige said he felt that for its own long-term stability, the program had to survive the departure of its primary physician. So he began the search for the new physician. But after the fallout from the nurses' salary dispute, problems over the administrator's power came when an administrative assistant refused to carry out tasks Mr. Craige had requested. Mr. Craige asked the board to support him on his decision to order the assistant to carry out certain duties, which included filling in for absent receptionists, and the board agreed. Yet when the employee still refused and Mr. Craige fired him, the board reinstated the employee over Mr. Craige's objections. At that board meeting, Mr. Craige resigned because he felt the administrator should have more authority.

When Mr. Craige resigned, the pharmacist and two family nurse practitioners also resigned. Thus, with the earlier resignation of Dr. Blake, five professionals were planning to leave the health program. Leaving the community of Hot Springs and the patients who believed in the program was difficult, Craige said. "It was a terrible thing," Mr. Craige said. "We had an amazing intensity of investment in this project and in this community."

At first, Mr. Craige did not think that the Hot Springs Health Program would endure the mass departure of professional staff. But the Appalachian Regional Commission, James Bernstein and the Office of Rural Health Services, AHEC and the UNC School of Medicine, and local politicians had too much at stake in the success of the program to allow it to fold, Mr. Craige said. Gail Kelley, of the Office of Rural Health Services, rendered intensive technical assistance on-site to the program for the months in late 1976 and early 1977 following the staff departures and worked at the health program about four days each week. She facilitated the health program's transition

from one federal grant, ARC money, to another, the Rural Health Initiative program and Public Health Service money. In addition to help from ORHS, the health program also received staff support from a stream of physicians who came to Madison County from the UNC School of Medicine. With such a concerted effort, the program was able to survive financially and find other physicians to serve the community temporarily until permanent replacements could be found.

Despite the staff turnover, the program survived because of the political power of some of its board members and because the community was committed to keeping their hard-won program alive, Mr. Craige and Dr. Blake said. Dr. Blake and his family still receive the local paper from Madison County and follow news in the area. Although he has been pleased with his career in medicine, which has included the past 11 years at the University of Missouri at Columbia, Dr. Blake said he misses the rural practice he had in the North Carolina mountains. "There's still a part of me that would like to be in Hot Springs."

### **Special Strengths of the Hot Springs Program**

Hot Springs has survived the staff fluctuations in part because of its inherent strengths as a community organization. "There was a time when I wondered if we would survive," said Sandra Hensley-Sprinkle, who has been with the program from its beginning. But community residents have always stood by the program and fought for its continuance, she said.

Taylor Barnhill has worked as a consultant to health centers throughout the nation and has served in the design stages of 30 health centers in North Carolina and 46 others across the nation. He says the Hot Springs Health Program "has some strengths that may be unique to itself and its community." Those strengths include a strong and well-defined community identity. "Because Hot Springs is so poor, the people have to work together," Mr. Barnhill said.

Many see Madison County as the "essence of Appalachia," Mr. Craige said, and the romantic vision of helping an Appalachian community has won the county many supporters. The physical beauty of the place will continue to attract interested physicians and professional staff, he said. "There's a magical quality of interactions there," Mr. Craige said. Staff members viewed the health program as a family, he said. "It was like your

child, you wanted to protect it," he said of the health program. But this sort of dedication "raises the stakes of any dispute," he said.

Another strength of the Health Program was that it was able to keep a few physicians for long periods of time, which gave the health program continuity of service, Mr. Barnhill said. This gives people security about the quality of their care. Staff members like Pat West say the staff has ended its period of fluctuation, and patients now view the practice as more stable.

### **Challenges and Prospects for the Future**

The Hot Springs Health Program has become, in effect, the sole provider of medical and health care in Madison County. The program runs four full-service primary medical centers, provides dental care, offers home health and hospice service, has a pharmacy at each medical site, contracts with the county health department to provide services, contracts with Mars Hill College to run the student health service, and cares for almost all patients in the county's nursing home. This role as sole provider, Mr. Lewis says, brings with it not only freedom and flexibility of practice but also a foreboding and serious responsibility to the community. Mr. Lewis says he accepts both aspects.

In the future, the Hot Springs Health Program will have to learn to deal with its success and accommodate growth without losing quality of care, Mr. Lewis said. There is still a need for growth in its centers, he said, especially Mars Hill. The program also needs to learn more about the community and its health care needs and become more methodical about fulfilling those needs, Mr. Lewis said.

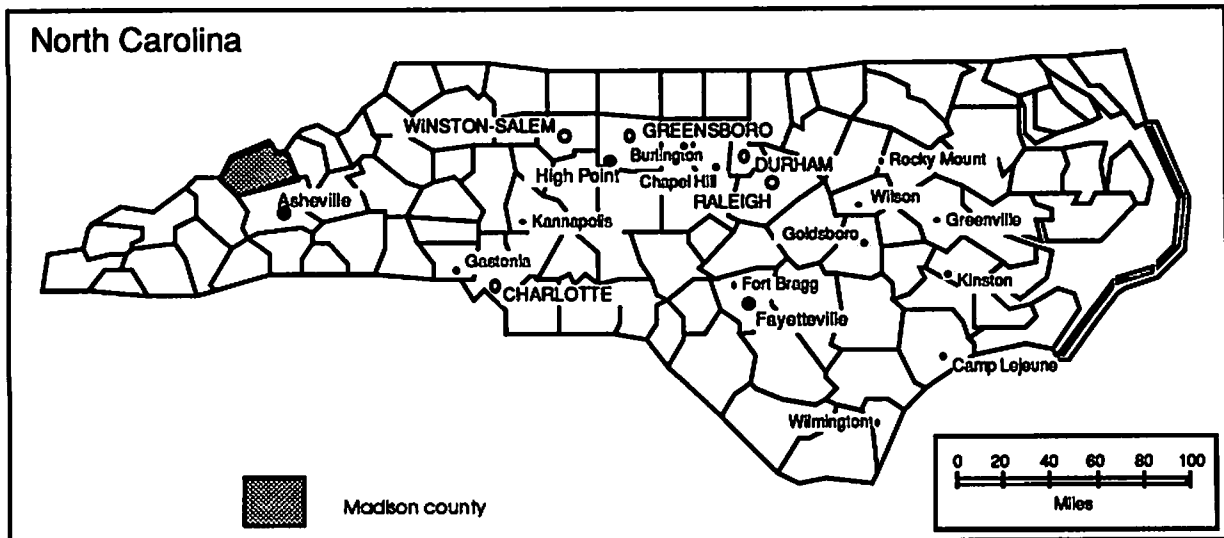
The practice also would benefit from adjustments to rules of Medicare and Medicaid reimbursement that currently work against rural health care centers, Mr. Lewis said. In addition, he says the program needs to improve its system of collecting reimbursements from all health insurance programs.

The health program must focus on long-term plans to hire and retain outstanding physicians as a way of maintaining the excellent staff quality the program now enjoys, Mr. Lewis said. The Hot Springs Health Program has a great deal to offer to a young medical professional, particularly with the implementation of innovations made available under the Kellogg grant, Mr. Lewis said.

The Kellogg funding will allow Hot Springs to become a model for rural health centers, Mr. Lewis said. But future local publicity of grants will be sensitive, he added. The program wants county residents to realize that they are served by special medical centers that have been cited as exemplary, yet he doesn't want patients to think they can stop paying their bills because the program has suddenly come into a large sum of money. The money will be used to expand services, computerize patients files and increase continuing education of staff and students visiting the medical center. "We don't want community patients to feel as though they are guinea pigs either," Mr. Lewis said.

Sandra Hensley-Sprinkle, who now serves as a receptionist for the Marshall-Walnut Medical Center, says she's worked with all the different directors and physicians who have been associated with the Hot Springs Health Program. "We've grown a great deal," she said. "And many patients have been with us since the beginning." After each challenge and crisis, the program has survived, she said, because people believe in what the health group does.

Nurse Ginny Koranek agrees, and adds that long-time employees of the program, like she and Ms. Hensley-Sprinkle, feel a deep commitment to the program. "Our skills keep getting better," Ms. Koranek said. "We're more of a family practice than a(n emergency) clinic. We provide total care for the individual and the family," she said. "We're not just a Band-Aid."



### Madison Co.

<b>Population (1987)</b>	17,379
<b>Racial Mix (1987)</b>	98.9% White 1.1% Nonwhite
<b>Poverty Rate (1983 estimate)</b>	26.2%
<b>Estimated Uninsured Population (1988)</b>	19.5%
<b>Infant Mortality Rate (1982-86)</b>	10.9 per 1,000 births

### FACTS on the Hot Springs Health Program

<b>Utilization</b>	May 88-April 89	25,578 medical encounters (1,200 dental encounters)
	More than 50,000 patients served annually	
<b>Facilities</b>	Four medical centers:	Hot Springs 3,400 sq. ft. Marshall/Walnut 1,700 sq. ft. Laurel 2,000 sq. ft. Mars Hill 3,800 sq. ft.
<b>Staffing</b>	88 permanent employees including six physicians, one dentist, and three physician extenders	
<b>Budget</b>	\$1.9 million 1988-89	

## Organizational Chart of the Hot Springs Health Program

